

ORIGINAL ORIGINAL
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August 26, 1992

EX PARTE OR LATE FILED

RECEIVED

Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

AUG 26 1992

Federal Communications Commission
Office of the Secretary

Re: Ex Parte Presentation
RM-7986; RM-801; ET Docket No. 89-100

Dear Ms. Searcy:

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The following representatives of PacTel Paging ("PacTel") met on August 20 and 21, 1992 with Charla M. Rath of Chairman Sikes' office, Brian Fontes of Commissioner Quello's office, Robert E. Branson of Commissioner Barrett's office, Michele Farquhar of Commissioner Duggan's office and Stevenson Kaminer of Commissioner Marshall's office: Mark Stachiw (Counsel), James Lawson (Technical Director), Carl W. Northrop (Communications Counsel - Bryan Cave) and Gerald Udwin (Principal, The Udwin Group).

Pursuant to Section 1.1206 of the Commission's rules, copies of the materials distributed at these meetings are attached hereto.

Should any questions arise in connection with this matter, please contact the undersigned.

Very truly yours,

Carl W. Northrop
Carl W. Northrop

Enclosures

cc: Brian Fontes
Special Advisor to Commissioner Quello
Michele Farquhar
Senior Legal Advisor to Commissioner Duggan
Charla M. Rath
Special Assistant to Chairman Sikes
Stevenson Kaminer
Senior Advisor to Commissioner Marshall
Robert E. Branson
Senior Advisor to Commissioner Barrett

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MEETING WITH FCC COMMISSIONERS' STAFF

AUGUST 20, 1992

PACTEL PAGING
Three Forest Plaza, SUITE 800
Dallas, Texas 75251

Federal Communications Commission
Office of the Secretary

AUG 26 1992

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EXCLUSIVITY FOR 929 MHZ PRIVATE CARRIER PAGING

- PETITION WAS THE RESULT OF INDUSTRY NEGOTIATIONS AMONG SMALL, MEDIUM, AND LARGE PCP OPERATORS
- NABER'S PETITION FOR RULEMAKING SEEKS TO ALLOW PRIVATE CARRIER PAGING (PCP) OPERATORS TO EARN EXCLUSIVITY THROUGH CONSTRUCTION OF WIDE AREA SYSTEMS
 - 6 CONTIGUOUS TRANSMITTERS IN A CITY WILL EARN EXCLUSIVITY FOR THE AREA SERVED
 - 70 TRANSMITTERS IN A 12 STATE REGION WILL EARN EXCLUSIVITY FOR THE AREA LICENSED
 - 300 TRANSMITTERS NATIONWIDE WILL EARN EXCLUSIVITY NATIONWIDE
- PETITION HAS ADDITIONAL SAFEGUARDS AGAINST SPECULATION
 - COUNTED TRANSMITTERS MUST MEET MINIMUM OUTPUT POWER REQUIREMENTS
 - TRANSMITTERS MUST BE CAPABLE OF PROVIDING SERVICE
- PACTEL SUPPORTS NABER'S PETITION BECAUSE IT SERVES THE PUBLIC INTEREST
 - CURRENT VHF PCP OPERATORS WILL BE INCENTED TO MIGRATE TO 900 MHZ PCP CHANNELS THEREBY RELIEVING VHF PCP CHANNELS OF CONGESTION
 - ADOPTING RULES NOW WOULD PREVENT 900 MHZ PCP CHANNELS FROM EXPERIENCING THE SHARING AND CONGESTION PROBLEMS RAMPANT ON VHF PCP CHANNELS
 - PCP CARRIERS WILL BE INCENTED TO INVEST THE NECESSARY CAPITAL TO BUILD WIDE AREA SYSTEMS TO MEET MARKET DEMAND

REMOVAL OF PROHIBITION AGAINST PRIVATE CARRIER PAGING OPERATORS SERVING INDIVIDUALS

- **NABER HAS PETITIONED THE COMMISSION TO REMOVE THE CURRENT RESTRICTION AGAINST PRIVATE CARRIER PAGING (PCP) OPERATORS SERVING INDIVIDUALS**
- **THERE WAS UNANIMOUS SUPPORT FROM THE INDUSTRY FOR NABER'S PETITION**
- **NABER'S PETITION SERVES THE PUBLIC INTEREST**
 - **A SIGNIFICANT PORTION OF NEW SUBSCRIBER GROWTH IN THE PAGING INDUSTRY IS BEING GENERATED BY RETAIL SALES CHANNELS (SUCH AS WHOLESALE MEMBERSHIP CLUBS, DEPARTMENT STORES, HOME ELECTRONIC STORES, AND THE LIKE) AND RESELLERS**
 - **IT IS VERY DIFFICULT TO ENSURE THAT SUBSCRIBERS ADDED VIA THESE CHANNELS ARE NOT INDIVIDUALS**
 - **THE PUBLIC DOES NOT SEE A DIFFERENCE IN A PAGE FROM A PCP OR A COMMON CARRIER FREQUENCY**
 - **IN THE TOP METROPOLITAN AREAS, ALL THE EXISTING COMMON CARRIER FREQUENCIES ARE LICENSED (OR IN DISPUTE), SO ANY ADDITIONAL CHANNELS NEEDED FOR EXPANSION OR ENTRY OF NEW PAGING PROVIDERS MUST BE BY PCP**
 - **WITHOUT THE ABILITY TO SELL RETAIL AND TO ALL SUBSCRIBERS, THESE NEW ENTRANTS AND EXISTING OPERATORS HAVE SIGNIFICANT DIFFICULTY COMPETING WITH EXISTING COMMON CARRIER SYSTEMS**
- **BECAUSE OF THE UNCONTESTED NATURE OF THIS PETITION, PACTEL STRONGLY SUGGESTS THAT THE COMMISSION QUICKLY ESTABLISH AN NPRM WITH AN EXPEDITIOUS COMMENT PERIOD AND THEN FOLLOW SHORTLY THEREAFTER WITH AN ORDER**

NARROWBAND PCS SERVICE ("AMS")

- **PACTEL SUPPORTS THE COMMISSION'S RECENT ACTION INSTITUTING AN NPRM ON NARROWBAND PCS (AKA ADVANCED MESSAGING SERVICES)**
- **PACTEL WELCOMES THE COMMISSION'S EFFORTS TO SEGREGATE 1 MHZ OF SPECTRUM FOR ONE-WAY/NON-DUPLEX SYSTEMS AND THE REQUIREMENT THAT ALL SYSTEMS ADHERE TO THE NON-INTERFERENCE STANDARDS OF THE CURRENT RULES**
- **PACTEL URGES THE COMMISSION, HOWEVER, TO BIFURCATE THE PROCEEDING TO ALLOW THE NARROWBAND ALLOCATION PROCESS TO PROCEED SEPARATELY FROM WIDEBAND PCS**
 - **NARROWBAND PCS DOES NOT PRESENT THE SAME THORNY ISSUES AS WIDEBAND PCS, SUCH AS SPECTRUM SHARING, OR BAND CLEARING, AND THE LIKE**
 - **AMS SERVICES CAN BE OFFERED QUICKLY ONCE THE NPRM IS CONCLUDED, PERHAPS AS SOON AS NEXT YEAR**
 - **BIFURCATING THE PROCEEDING WOULD ALLOW THE COMMISSION TO GET A PCS SERVICE LICENSED QUICKLY**
- **CURRENT PAGING COMPANIES WHICH HAVE CELLULAR AND LEC AFFILIATES WILL BE ALLOWED TO HOLD AMS LICENSES**
 - **THE COMMISSION'S CURRENT RULES FOR THESE TYPES OF SERVICES DO NOT PROHIBIT OWNERSHIP OF THIS TYPE AND THE CURRENT COMMISSION RULES WOULD PERMIT CELLULAR TO OFFER THE SAME SERVICES AS EXISTING PAGING OPERATORS**
 - **CURRENT PAGING OPERATORS ARE EXPERIENCED IN PROVIDING THESE SERVICES**

NARROWBAND PCS SERVICE ("AMS") (CONT'D)

- **THERE SHOULD BE NO LIMIT ON THE NUMBER OF AMS CHANNELS HELD BY A LICENSEE OR THE AMOUNT OF AMS SPECTRUM HELD BY LICENSEE**
 - **CURRENT COMMISSION RULES DO NOT LIMIT THE NUMBER OF CHANNELS HELD BY PAGING OPERATORS**
 - **THERE WOULD BE NO PUBLIC BENEFIT TO DOING SO FOR AMS SERVICES BECAUSE THE MARKET STRUCTURE WILL BE IDENTICAL TO THE EXISTING PAGING MARKET**
- **PACTEL IS STUDYING THE COMMISSION'S PROPOSED LICENSING FEES FOR AMS**
 - **OUR TENTATIVE CONCLUSION IS THAT IF THE FEES ARE IN THE \$200,000 RANGE FOR REGIONAL LICENSES (5 REGIONS), AND \$1 MILLION FOR NATIONWIDE (BASED UPON A 25 KHZ BANDWIDTH) THE COMMISSION WILL DETER SPECULATORS, BUT ALSO ENSURE LICENSES FOR SERIOUS OPERATORS**
 - **THE FEES OUTLINED BY PACTEL WILL NOT DETER SERIOUS OPERATORS**
- **PACTEL CONTINUES TO BELIEVE THAT THE GEOGRAPHIC SCOPE OF AMS LICENSES SHOULD BE NATIONWIDE OR, AT THE LEAST, LARGE GEOGRAPHIC REGIONS**
 - **THE MARKET FOR AMS SERVICES IS MUCH MORE REGIONAL/NATIONWIDE THAN WIDEBAND PCS SERVICES**

NARROWBAND PCS SERVICE ("AMS") (CONT'D)

- **PACTEL SUGGESTS THAT THE COMMISSION MAY WANT TO ALLOCATE SOME OF THIS SPECTRUM TO PRIVATE RADIO USE EITHER**
 - **ON A DEDICATED BASIS -- I.E., 1.5 MHZ ALLOCATED SOLELY FOR PRIVATE USES**
 - **IN THE FORM OF A NEW KIND OF PRIVATE RADIO USE THAT HAS SOME OF THE FEATURES OF PRIVATE RADIO TODAY (NOT REGULATED, EASE OF LICENSING) AND COMMON CARRIER SERVICES (SERVE INDIVIDUALS, AND EXCLUSIVITY)**
- **THIS SPECTRUM SHOULD BE DEDICATED TO ONE-WAY AND TWO-WAY DATA, NOT CT-2 SERVICES**
 - **THE PROPONENTS OF CT-2 HAVE ARGUED THAT MORE THAN 3 MHZ IS NECESSARY TO PROVIDE THE SERVICE**
 - **CT-2 IS A SERVICE WHICH CAN BE OFFERED ON HIGHER FREQUENCY WITHOUT SIGNIFICANT DEGRADATION OF SERVICE**
 - **ONE-WAY MESSAGING IS BEST SERVED BELOW 1 GHZ IF TODAY'S LOW COST STRUCTURE IS TO BE MAINTAINED**
- **PACTEL'S RESEARCH SUGGESTS THAT THE MARKET FOR ONE-WAY MESSAGING WILL GROW TO 44 MILLION BY THE YEAR 2000**
 - **THE SERVICE WILL ALLOW THE TRANSMISSION OF SUBSTANTIALLY LARGER MESSAGES**
 - **PACTEL ESTIMATES THAT USING TRADITIONAL TECHNOLOGIES 10-31 MHZ OF ADDITIONAL SPECTRUM IS NECESSARY TO SATISFY THIS ADDITIONAL SERVICES**

ON GOING EXPERIMENTAL WORK

- **PACTEL HAS CONDUCTED BASIC RESEARCH INTO THE MODULATION SCHEMES AND SYSTEM ARCHITECTURES NECESSARY TO PROVIDE THESE ADVANCED SERVICES**
- **PACTEL HAS DISCOVERED THAT THE MAXIMUM SIMULCAST SPEED IS 4800 BAUD, NOT 3200 BAUD AS PREVIOUSLY THOUGHT**
 - **THIS ALLOWS FOR AN INCREASE IN CAPACITY OF 33% OVER ALL OTHER SYSTEMS USING 3200 BAUD SIMULCAST SPEEDS**
- **USING THIS BASIC RESEARCH, PACTEL HAS DEVELOPED A SYSTEM ARCHITECTURE WHICH WILL ALLOW FOR EFFECTIVE CAPACITY OF 19.2K-26K BITS PER 25 KHZ**
 - **FOR COMPARISON, IF THE CHANNEL SPACING WAS 50 KHZ AS THE NPRM PROPOSES, PACTEL'S SYSTEM COULD PROVIDE EFFECTIVE RATES OF 38.4-52K BITS PER SECOND PER CHANNEL**
 - **THIS WOULD SUPPORT 60,000 TO 80,000 NATIONWIDE SUBSCRIBERS PER CHANNEL WITH AN AVERAGE MESSAGE LENGTH OF 5,000 BITS (A SMALL DOS FILE) OR 180,000 TO 240,000 SUBSCRIBERS EACH RECEIVING ONE ONE REGION**
 - **THIS COULD BE EXPANDED EVEN FURTHER WITH THE USE OF AN ACKNOWLEDGEMENT/SETUP CHANNEL WHICH WOULD ALLOW THE MESSAGE TO BE TRANSMITTED ONLY IN THE METROPOLITAN AREA WHERE THE SUBSCRIBER IS LOCATED**
 - **ASSUMING ACKNOWLEDGEMENT/SETUP CHANNELS USED IN TOP 30 MARKETS, THEN CAPACITY OF SINGLE SYSTEM COULD BE INCREASED TO 5.4-7.2 MILLION SUBSCRIBERS PER CHANNEL**
 - **THIS IS COMPARED TO TODAY'S SYSTEMS WHICH COULD SUPPORT LESS THAN 2,000 SUCH SUBSCRIBERS IN THE SAME BANDWIDTH -- A POTENTIAL 6,000% INCREASE IN CAPACITY**

ON GOING EXPERIMENTAL WORK (CONT'D)

- **PACTEL HAS BEGUN BUILDING THE NECESSARY EQUIPMENT TO EXPERIMENT WITH SUCH SYSTEMS IN THE FIELD AND IT EXPECTS TO HAVE RESULTS TO REPORT TO THE COMMISSION WITHIN THE NEXT SEVERAL MONTHS**
- **ONCE THE NECESSARY EQUIPMENT IS BUILT, PACTEL WILL CONDUCT SYSTEM TESTS UNDER ITS PARENT'S EXPERIMENTAL LICENSE**
- **PACTEL WILL AT THE SAME TIME CONTINUE WORKING WITH MANUFACTURERS AND INDUSTRY COMMITTEES TO DEVELOP THE NECESSARY CODING SCHEMES AND INFRASTRUCTURE TO OFFER THE SERVICE**